

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 000961

SIPDIS

STATE FOR SA/INS  
LONDON FOR POL - GURNEY

E.O. 12958: DECL: 05/22/2013

TAGS: [PGOV](#) [NP](#)

SUBJECT: NEPAL: KING KEEPS PARTIES AT BAY

REF: A. KATHMANDU 0942  
[B](#). KATHMANDU 0814  
[C](#). KATHMANDU 0684

Classified By: CDA ROBERT K. BOGGS. REASON: 1.5 (B,D).

-----  
SUMMARY  
-----

[1](#)1. (C) His public and private statements of support for the principle of multiparty democracy notwithstanding, King Gyanendra continues to hold mainstream political parties at arm's length. Contrary to recent widespread expectations, he has taken no visible steps to form an all-party government. Instead, Cabinet ministers have continued--presumably with royal sanction--to criticize the behavior and past performance of party leaders. The political parties, meanwhile, remain unable to shape a persuasive argument for their inclusion in an interim Cabinet or a coordinated political platform, and their joint protests so far have attracted scant popular support. Political and diplomatic contacts are uncertain why the King continues to resist making an overture to the parties. Some sources suggest that Maoist insurgents may have told the Palace that they will break off dialogue if an all-party government is appointed. Alternatively, the King may believe that the ceasefire and an ongoing anti-corruption campaign (septel) are gaining him sufficient popular good will to put off dealing with the parties for the time being. Long-standing mutual distrust between the parties and the Palace is undoubtedly a factor as well. End summary.

-----  
PARTIES' PROLONGED "JOINT STIR"  
CAUSES LITTLE COMMOTION  
-----

[1](#)2. (SBU) Five mainstream political parties continued their combined protest program, or "joint stir," for the third week (Ref B) to little apparent avail. (Note: The parties have pledged to continue the protests until the Constitution is "reactivated" by the appointment of an all-party interim government with full executive authority. End note.) The demonstrations have remained largely peaceful, although police reportedly baton charged participants in a May 18 protest in Kathmandu. Although party officials routinely declare each daily program a grand success, so far the protests appear to have attracted little popular support or participation beyond professional party activists and members of affiliated student wings. The Maoists have not taken part publicly in any of the daily demonstrations, and the Maoist student wing has been busy conducting its own independent protest campaign against private schools. (Note: No international schools have been targeted in this campaign. End note.) Despite their consecutive protests, the parties, moreover, remain unable to articulate either a persuasive public argument for their inclusion in an interim Cabinet or a coordinated political platform.

-----  
NO TEA, NO SYMPATHY  
-----

[1](#)3. (C) The tepid turnout at their protest rallies is not the only disappointment for the parties, however. The leaders of the largest political parties--as well as members of several diplomatic missions, including the generally well-informed Indians--were expecting, based on firm indications from well-placed Palace sources, King Gyanendra to take steps to form an all-party government in early May. (Note: Party leaders in both the Communist Party of Nepal - United Marxist Leninist and the Nepali Congress have indicated to us that they were led to expect a similar development on at least two previous occasions in December and February. End note.) Some of the leaders reportedly were told to expect an invitation to a Palace "tea party" o/a May 2 (the vernacular press was even reporting the invitations as faits accomplis) in which the King was supposed to ask them to form a new interim government. Some party sources say that leaders of the two largest parties had already agreed among themselves, if asked, that UML Secretary Madhav Nepal would head the new government. Instead of the anticipated invitations to tea

and royal reconciliation, on May 2 the parties heard a televised address by Prime Minister Lokendra Bahadur Chand that chastised them for their poor performance over the past twelve years of democracy. The failure of the rumored rapprochement to materialize as expected has only increased the party leaders' mistrust of the Palace.

-----  
WHY KEEP THE PARTIES OUT?  
-----

14. (C) Given the several occasions that the Palace has been rumored to be on the brink of forming an all-party government, and given the likely political and diplomatic support for such a step, the question arises why nothing has happened. (Note: The King so far has never granted the parties' long-standing request for a joint meeting. The Prime Minister, on the other hand, continues to invite them to all-party meetings--most recently on May 23--which they consistently boycott in protest of the "unconstitutionality" of his government. End note.) Citing the King's frequent public statements of support for multi-party democracy and his desire to remain no more than a constitutional monarch, a UML source noted that there is no ostensible philosophical difference between the King and the parties on how the interim government should be constituted. Moreover, being left out in the cold for more than seven months has transformed long-time rivals G.P. Koirala, head of the Nepali Congress, and Madhav Nepal, leader of the UML, into temporary, if unlikely, allies, thereby belying the King's original justification for bypassing the parties--their inability to agree on a single candidate.

15. (C) One theory holds that the Maoists, whose strategy appears to hinge on keeping the parties and the Palace divided, may have secretly told the Palace that they will not negotiate with an all-party government. In particular, the Maoists are widely believed to oppose a government led by the UML, which they consider a rival for leftist support. Since the members of the current interim Cabinet were all hand-picked by the King and are widely assumed to work in close consultation with him, the Maoists may reason that negotiating with the current Cabinet is the closest they can get to negotiating directly with the King. The Palace may be unwilling to jeopardize the little progress made to date toward dialogue with the insurgents by introducing a less predictable, less pliable, and more partisan Cabinet at mid-stream. Both the Government of Nepal (GON) and the Maoists may have decided, some believe, that retaining the Chand Cabinet during the negotiations is the simplest alternative available, at least for the near term.

16. (C) Most political sources, however, believe the King has not brought the parties on board because he wants a more active role in governing. Sources who knew the monarch as a businessman describe him as a "hands-on" manager, unlikely to be content with the detached role and circumscribed powers of his late brother. These sources interpret several of the King's moves since October, including a royal ordinance limiting government oversight of the Palace budget; the appointment of Sharad Chandra Shah, a notorious anti-democrat from the autocratic Panchayat era as advisor to the PM; the PM's uncompromising, critical speech of May 2; and the recent anti-corruption drive (septel) as virtual "in-your-face" challenges to the parties, and thus evidence of this purported ambition.

17. (C) The King may also believe that he is better able to address the many challenges besetting Nepal than the feckless democratic leaders. He could argue that he has been able to respond to the two most pressing public concerns--peace and corruption--by securing a ceasefire, resuming dialogue with the Maoists, and initiating an intensive anti-corruption campaign (septel). In addition, the GON can point with pride to a number of reforms (many of which were initiated, however, under earlier democratic governments) that have earned it high praise--and increased levels of funding--from international financial institutions (Ref A). Adding to his confidence may be the parties' failure so far to generate greater public support for their protests, contrasted with the relatively large (if equally stage-managed) reception to his own public appearances (Ref C).

-----  
COMMENT  
-----

18. (C) There are a number of plausible reasons why the King has not yet made an overture to include the parties. Possible Maoist objection to an all-party government, coupled with the precarious nature of the peace process, may be the most persuasive. The absence of public indignation (and, in some quarters, the appearance of tacit support) at his actions since dismissing the Deuba government on October 4 may also influence his thinking. But the number of rumored false starts, in which the parties were apparently led to believe an all-party government was imminent, is disturbing and can only contribute to the atmosphere of debilitating

mutual distrust. Inserting himself so near the forefront of government operations also carries an implicit risk for the King, making him more visibly responsible for both its successes and failures. Any lasting political resolution to the insurgency will, moreover, require the support of the political parties. The King should enlist the support of all the legal and democratic forces--including the all-too-often difficult and intractable political parties--in the GON effort to craft a workable resolution to the conflict. Some contacts tell us that the King is torn by conflicting advice within the Palace, but his current lack of initiative may prove to be a regrettable squandering of political opportunity.

BOGGS